

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18397
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On August 30, 2004, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for taxable years 1998, 1999, and 2000 in the total amount of \$46,205.

The taxpayer's representative (accountant) filed a timely appeal on behalf of the taxpayer and a telephone conference was held with the accountant. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayer was an Idaho resident who appeared to meet the Idaho income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why her 1998 through 2000 Idaho returns had not been filed, but she did not respond to the inquiries.

[Redacted] Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such

notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho returns on behalf of the taxpayer and sent her a Notice of Deficiency Determination. The accountant filed a timely protest wherein she stated the tax liability was incorrect because the taxpayer had not been allowed appropriate business deductions. She asked for a hearing and an additional 90 days to complete the returns.

The Bureau's efforts to schedule a hearing were unsuccessful. After granting two additional delays, the taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. In response to a letter from the Tax Appeals Specialist outlining the taxpayer's appeal rights, the accountant asked for additional time. She also indicated she would like to schedule a meeting in mid or late December.

On September 30, 2005, the Tax Appeals Specialist spoke with the accountant by telephone. The accountant said that many things have happened in the lives of both the taxpayer and the accountant that have delayed the preparation of the returns. She promised to have all Idaho returns completed by November 20, 2005.

On November 9, 2005, the Tax Commission received a fax from the accountant asking for a continuance until November 28, 2005. She said she had been unable to have a final meeting with the taxpayer because of the untimely death of the accountant's mother. To date, the Tax Commission has not received the taxpayer's 1998 through 2000 Idaho individual income tax returns.

Tax Commission records show that during the taxable years 1998 through 2000, the taxpayer was an Idaho resident with Idaho sourced income in excess of Idaho's filing

requirement. These facts the taxpayer does not dispute. However, she has not filed Idaho income tax returns.

The Bureau used the income information contained in federal 1099 forms reported to the IRS in the taxpayer's name and Social Security number to calculate the taxpayer's Idaho tax amount. No withholding was identified, but the standard deduction and credit for one personal exemption were allowed. The taxpayer indicated she had deductions during those years but has not provided any facts or figures in support of the claim.

The Bureau added interest and penalty pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support her argument, the taxpayer has failed to meet her burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated August 30, 2004, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$ 7,180	\$1,795	\$3,248	\$12,223
1999	5,424	1,356	2,058	8,838
2000	17,607	4,402	5,273	<u>27,282</u>
			TOTAL DUE	<u>\$48,343</u>

Interest is computed through January 15, 2006.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed.

DATED this _____ day of _____, 2006.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this _____ day of _____, 2006, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted] _____